



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #104

Eliminate GPR Funding and Position for Relocation Assistance (Administration -- General Agency Provisions)

[LFB 2017-19 Budget Summary: Page 28, #10]

CURRENT LAW

Relocation assistance services are provided by the state through the Department of Administration (DOA) with 1.0 GPR position. The program under current law would be funded \$113,100 GPR in 2017-18 and \$113,200 GPR in 2018-19 (base funding and standard budget adjustments).

GOVERNOR

Delete \$113,100 GPR in 2017-18 and \$113,200 GPR in 2018-19 and 1.0 GPR position annually to transfer administration of relocation assistance services within DOA from the agency's Division of Energy, Housing and Community Resources to the Division of Legal Services. Repeal the GPR appropriation for relocation assistance and rename DOA's PR appropriation for legal services to include relocation assistance.

DISCUSSION POINTS

1. The relocation assistance program under DOA is responsible for reviewing and approving relocation plans for projects with a public purpose that result in displacement of residences and businesses. Displacement may be associated with a voluntary negotiated sale of property or it may result from the use of eminent domain authority, which is defined under state administrative code as a right of government and others specified under s. 32.02 of the statutes that permits a taking of private property for a public purpose with payment of just compensation. Eminent domain authority is generally exercised by public agencies and local governments but may

also be exercised by business entities under certain circumstances.

2. A displacing agency undertaking a program or project that displaces a residence or business must file a relocation plan with DOA. ["Displacing agency" is defined under state administrative code as a condemnor, state agency, political subdivision of the state, developer, or any other person carrying out a public project that causes a person to be a displaced person.] A relocation plan must include the steps the governmental agency or business entity will take to: (a) help displaced owners and tenants find suitable replacement dwellings, farms, or business locations; (b) inform displaced persons on available state, federal, and local assistance programs; (c) determine costs of relocation payments and services; and (d) ensure that persons are not required to vacate dwellings without a reasonable opportunity to find replacement dwellings. Public projects that resulted in displacements, and for which DOA reviewed plans in 2014-15 and 2015-16, are listed in an attachment.

3. The Governor's recommendation to eliminate GPR funding and position authority for relocation assistance was one of several provisions that the administration indicates are intended to reduce expenditure and position authority for state operations appropriations under DOA to "create additional operational efficiencies and balance the budget."

4. While the bill amends DOA's appropriation for legal services to allow funding to be used for relocation assistance services, the bill does not amend language regarding the appropriation's fund source. Therefore, under the bill all relocation assistance services costs would be funded by assessments to state agencies for legal services. The Department indicates a methodology for assessing agencies for relocation assistance costs has not yet been determined.

5. Although additional expenditure authority and position authority for relocation assistance services are not provided to the Division of Legal Services under the bill, the administration indicates position authority for the Division's appropriation is sufficient to perform relocation assistance services. In addition, under the bill DOA's legal services appropriation would be funded \$1,095,100 PR in 2017-18 and \$1,098,800 PR in 2018-19. Expenditures from the appropriation in 2015-16 totaled \$873,000 PR. Therefore, it is likely that expenditure authority in the appropriation is sufficient to support expenses for relocation assistance services.

6. Given that the administration wishes to reduce expenditure and position authority associated with state operations and that DOA believes it could manage relocation assistance services through its legal services resources, the Committee could choose to approve the Governor's recommendation to eliminate the GPR appropriation and amend DOA's appropriation for legal services to fund relocation assistance services from assessments to state agencies for legal services. [Alternative 1]

7. On the other hand, most public projects that result in displacements are not related to state agencies, but rather are projects undertaken by local units of government. Therefore, it could be argued that requiring all relocation assistance services costs to be paid by state agencies is not appropriate if the projects are unrelated to the agencies' duties and the agencies are not receiving legal services associated with such projects. Therefore, the Committee could maintain the administration's goal of reducing state general fund costs while assessing the most appropriate entities by specifying that relocation assistance services would be funded from assessments to

displacing agencies that may exercise eminent domain authority for public projects, including local units of government, state agencies, and any other entity specified under s. 32.02 of the statutes. Under this alternative, the legal services appropriation language would be amended so that DOA would have the authority to assess each displacing agency for its share of relocation assistance services expenses using a methodology determined by DOA. [Alternative 2]

8. Finally, if the Committee wished to ensure that displacing agencies (including state agencies) that may exercise eminent domain authority would not need to pay additional charges associated with relocation assistance services costs, the Committee could choose to maintain current law funding and position authority for the program by deleting the budget recommendation. [Alternative 3]

ALTERNATIVES

1. Approve the Governor's recommendation to repeal DOA's relocation assistance services GPR appropriation (including authority of 1.0 GPR position) and amend DOA's appropriation for legal services to fund relocation assistance services from assessments to state agencies for legal services.

ALT 1	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
GPR	-\$226,300	- 1.00	\$0	0.00

2. Modify the provision by amending DOA's legal services appropriation to specify that relocation assistance services would be funded from assessments to the displacing agencies that submit a relocation assistance plan (local governments, state agencies, and other entities). Specify that DOA may assess each displacing agency for its share of DOA costs to provide services.

ALT 2	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
GPR	-\$226,300	- 1.00	\$0	0.00

3. Delete provision.

ALT 3	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
GPR	\$0	0.00	\$226,300	1.00

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Attachment

**Department of Administration Relocation Assistance Cases
2014-15 and 2015-16**

2014-15 Project Name	<u>Location</u>	<u>Project Purpose</u>	<u>Displaced Residences</u>	<u>Displaced Businesses</u>	<u>Total</u>
City of New Richmond Municipal Airport Britta Drive	New Richmond Madison	Properties in a noise-impacted or over-flight area Supportive housing for disabled individuals with income less than 50% county median income	2	0	2
West Bluff Recreation Area	Racine	To acquire land for the revitalization of Racine's Urban Root River corridor	2	0	2
Ashland Stormwater Retention Pond	Ashwaubenon	Stormwater management facility	1	0	1*
Marshfield Municipal Airport	Marshfield	Approach and critical safety area protection	0	1	1
N. 2nd St. and Maria Dr. Intersection	Stevens Point	Intersection improvements	2	0	2
324 DeForest Street Acquisition	Village of DeForest	Future construction of Village municipal building	0	2	2
Grant County Storm Recovery Project	Grant County	Acquire residential property repeatedly damaged by heavy rainstorms	1	0	1
2010 Hazard Mitigation Grant Program	Jefferson	Hazard mitigation	1	0	1
1141 and 1145 Chicago Street	Green Bay	Demolition/rebuild (blight)	2	0	2
Wauwatosa Bicycle and Pedestrian Facility	Wauwatosa	Bicycle and pedestrian facility	0	1	1
Baraboo – Wisconsin Dells Airport	Sauk County	Clear obstructions in approach to runway	0	1	1
American Transmission Co. Line P68	Manitowoc County	High voltage transmission line over dwelling	1	0	1
Appleton Public Library	Appleton	New public library construction	1	1	2
West Branch Root River Flood Management Project	Milwaukee	Flood mitigation	0	5	5
City of Eau Claire, West Bank Redevelopment	Eau Claire	Blight elimination and potential development	1	0	1
Gays Mills Flood Mitigation	Village of Gays Mills	Flood mitigation	0	2	2
Concordia Avenue Flood Management Project	Milwaukee	Flood mitigation	1	0	1
Half Moon Lake	Eau Claire	Continue green space along Half Moon Lake	1	0	1
Watertown Municipal Airport	Watertown	Runway approach protection	1	4	5
S. 5th Ave Extension	City of Oak Creek	Highway construction	2	0	2
Northern Lights Road	City of Verona	Road construction	1	0	1
Kickapoo Flood Damage Reduction Project	Village of Steuben	Acquisition due to frequent flooding	2	0	2
Da Vinci School Expansion	Green Bay	Clear land to accommodate school needs	1	0	1
Ridgecrest Apartments	Madison	Acquisition and rehabilitation of an existing multiunit residential project	85	0	85
S. Adams Street Bridge	Thorp	Bridge replacement project	1	0	1
North Branch Oak Creek Flood Management	Milwaukee	Flood mitigation	0	1	1
Total	27 Projects		<u>111</u>	<u>17</u>	<u>128</u>
2015-16 Project Name					
Badger Coulee Project	Columbia County	Construct 345 kV transmission line	1	0	1
Commercial Development	City of Fennimore	Acquire property to facilitate commercial development	0	2	2
Sunny Point Acquisition Project Phase III	Glendale	Federal/state funded floodplain mitigation project	1	0	1
Business Highway 53	Village of Lake Hallie	Rehabilitation and reconstruction of highway	0	1	1
Merrill Municipal Airport	Merrill, WI	Runway approach and critical safety area protection	1	1	2
North Appleton to Morgan Transmission Line	Brown, Oconto, Outagamie, and Shawano Counties	Construction of 138 kV and 345 kV lines	1	0	1
Acquisition of Property for Industrial Park	Village of DeForest	Village of DeForest's industrial park	0	2	2
Thomas Street	Wausau	Reconstruction of Thomas Street	21	3	24
Total	8 Projects		<u>25</u>	<u>9</u>	<u>34</u>

*The West Bluff Recreation Area project also resulted in displacement of a storage building.